

Richard Phillips
In pro per

Re: In re Celsius Network LLC. Et al., Case 22-10964(MG)

Amended Potential Exhibits for Cross-examination of Witnesses on October 3, 2023

Dear Chief Judge Glenn,

Attached please find an amended set of exhibits that I may use in the cross-examination of witnesses scheduled to testify on October 3, 2023.

Dated: Los Angeles, California
October 3, 2023

/s/

RICHARD PHILLIPS
Creditor

Potential Exhibits for Cross-examination by Richard Phillips

From Exhibit D of Disclosure Statement

Based on financial projections developed by the Debtors¹ and subject to the disclaimers and the descriptions of Centerview's methodology set forth herein, and solely for purposes of the Plan, Centerview estimates the total enterprise value of Mining to be within the range of approximately \$410 million to \$720 million as of May 31, 2023 with an estimated midpoint of \$565 million.²

In preparing the estimated total enterprise value for Mining, Centerview: (1) reviewed certain historical financial information of Mining for recent years and interim periods provided by the Debtors; (2) met with certain members of the Debtors' and Fahrenheit's senior management to discuss Mining operations and future prospects; (3) reviewed publicly available financial data and considered the market values of public companies deemed by Centerview to be generally comparable to Mining; (4) considered certain economic and industry information relevant to Mining; (5) prepared discounted Cash flow analyses based on the financial projections, utilizing various discount rates and assumptions in the calculation of terminal values; and (6) conducted such other analyses as Centerview deemed appropriate.

From Exhibit E of Disclosure Statement

Celsius Mining LLC
in Millions of U.S. Dollars

| Fiscal Year Ended | Sep-24 | Sep-25 | Sep-26 | Sep-27 | Sep-28 | Total |
|---|----------------|----------------|----------------|----------------|-----------------|------------------|
| Revenue | \$278.7 | \$437.5 | \$507.1 | \$341.0 | \$282.2 | \$1,846.5 |
| Direct Costs | (190.9) | (200.0) | (206.1) | (187.3) | (183.8) | (968.2) |
| Gross Profit | 87.8 | 237.4 | 300.9 | 153.7 | 98.4 | 878.3 |
| Operating Expenses | (26.0) | (27.7) | (28.8) | (29.3) | (29.7) | (141.4) |
| EBITDA | 61.8 | 209.7 | 272.2 | 124.4 | 68.8 | 736.9 |
| Net Capex | (56.5) | (12.3) | (8.2) | (39.3) | (86.6) | (202.9) |
| EBITDA less Net Capex ^[1] | \$5.4 | \$197.5 | \$263.9 | \$85.1 | (\$17.8) | \$534.1 |
| BTC Price, EOP (\$) | \$47,647 | \$90,587 | \$92,420 | \$76,622 | \$105,195 | NA |
| Hashprice (\$/GH/Day), EOP | 77.9 | 126.2 | 95.1 | 63.9 | 61.3 | NA |
| Network Hashrate, EOP | 307 EH/s | 374 EH/s | 524 EH/s | 668 EH/s | 600 EH/s | NA |
| Celsius Hashrate, EOP | 12.3 EH/s | 12.5 EH/s | 12.6 EH/s | 13.4 EH/s | 15.1 EH/s | NA |
| Network Share % | 3.50% | 3.79% | 2.82% | 2.24% | 2.36% | NA |
| BTC Produced, Celsius | 7,712 | 6,475 | 5,046 | 3,946 | 3,281 | 26,460 |

[1] EBITDA less Net Capex does not reflect cash taxes.

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Disclosure Statement Weighted Distribution Election Example

A side-by-side comparison of the three different treatment outcomes for a Holder of a General Earn

⁵⁹ Please review Item 6 on your Ballot to make the Liquid Cryptocurrency Weighted Distribution Election.

⁶⁰ For purposes of this example, you do not hold any other Claims.

⁶¹ This 50% reduction is for illustrative purposes only and is not based on any specific assumption with respect to all Unsecured Claim Distribution Mix Elections.

⁶² This amount is calculated as follows: (a) \$2,954*50% = \$1,477; and (b) \$1,477*70% = \$1,034.

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Claim⁶³ in the amount of \$10,000 based on a 67.0% recovery is shown below:

| | <i>No (Default) Election</i> | <i>NewCo Weighted Stock Distribution Election⁶⁴</i> | <i>Liquid Cryptocurrency Weighted Distribution Election⁶⁵</i> |
|------------------------------|---|--|--|
| Liquid Cryptocurrency | \$3,748 | \$1,874 | \$4,782 |
| NewCo Common Stock | \$2,954 | \$5,390 | \$1,477 |
| Litigation Proceeds | The right to receive a share of the Litigation Proceeds | | |
| <i>Total Recovery:</i> | <i>\$6,702</i> | <i>\$7,264</i> | <i>\$6,259</i> |
| <i>% of Recovery Change:</i> | <i>N/A</i> | <i>Increase of ~8%</i> | <i>Decrease of ~7%</i> |

Unsecured Claim Distribution Mix Elections

The Debtors' ability to accommodate Holders' specified preferences will ultimately depend on what elections all Holders make on their Ballots. The Debtors will use reasonable efforts to redistribute the consideration provided to Holders to satisfy the aggregate Unsecured Claim Distribution Mix but cannot guarantee that Holders will receive what they requested.

Weighted Distribution Election Ballot Results from Tabulation of Votes

C. Weighted Distribution Election⁸

15. Stretto examined each valid Account Holder Ballot submitted by Holders of Account Holder Claims eligible to make either the NewCo Common Stock Weighted Distribution Election or the Liquid Cryptocurrency Weighted Distribution Election, which consisted of Holders of a Class 2 (Retail Borrower Deposit Claims), Class 5 (General Earn Claims), and Class 7 (Withhold Claims) Claims. Based on this review, 4.88% (418) in number, which is equivalent to 4.48% (\$15,683,669.91) in dollar amount, of Holders of Class 2 (Retail Borrower Deposit Claims) Claims made the NewCo Common Stock Weighted Distribution Election. 4.20% (3,601) in number, which is equivalent to 4.29% (\$163,851,968.75) in dollar amount, of Holders of Class 5 (General Earn Claims) Claims made the NewCo Common Stock Weighted Distribution Election.

4.10% (59) in number, which is equivalent to 1.37% (\$153,960.34) in dollar amount, of Holders of Class 7 (Withhold Claims) Claims made the NewCo Common Stock Weighted Distribution Election.

16. On the other hand, 26.46% (2,267) in number, which is equivalent to 42.59% (\$148,938,980.87) in dollar amount, of Holders of Class 2 (Retail Borrower Deposit Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election. 18.67% (16,011) in number, which is equivalent to 25.11% (\$960,018,704.02) in dollar amount, of Holders of Class 5 (General Earn Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election. 19.39% (279) in number, which is equivalent to 28.21% (\$3,173,615.89) in dollar amount, of Holders of Class 7 (Withhold Claims) Claims made the Liquid Cryptocurrency Weighted Distribution Election.

Totals: More Crypto - \$1,112,131,300.78
More Equity - \$179,689,599.00